# MEMORANDUM

**To:** All Fellows, Affiliates, Associates, and Correspondents of the Canadian Institute of Actuaries, and other interested parties

**From:** Josephine Marks, Chair
Actuarial Standards Board

James Koo, Chair
Designated Group #1 (Benefit Security)

Dani Goraichy, Chair
Designated Group #2 (Stress Testing)

Charly Pazdor, Chair
Designated Group #3 (Quinquennial Review)

**Date:** June 27, 2022

**Subject:** **Final Standards – Changes to Practice Specific Standards for Pension Plans (Part 3000)**

*Document 222080*

## Introduction

These changes to the practice-specific standards for pension plans (Part 3000) have been approved for distribution by the Actuarial Standards Board (ASB) on June 22, 2022. Due process has been followed in the development of these standards.

The revised standards (and the red-lined version) are attached at the end of this memo.

## Background

The ASB established three designated groups (DGs) to review the Standards of Practice, Part 3000, each with a separate mandate:

**Mandate 1 (DG1):** Measurement of benefit security.

**Mandate 2 (DG2):** Meaningful stress testing.

**Mandate 3 (DG3):** Full review of the standards excluding what is covered by mandates 1 and 2. In addition, Mandate 3 also included potentially incorporating the annuity purchase guidance into Part 3000. The mandate excluded changes to the Standards of Practice for Section 3500, which was recently reviewed and revised effective December 1, 2020. Changes related to target pension arrangements (TPAs), including the commuted value basis applicable to TPAs, continue to be under review by the ASB and will be considered as part of a future mandate.

Three notices of intent (NOI) were issued (DG1, DG2, and DG3)in July 2020 to provide background on the purpose of the review and to request feedback from interested stakeholders.

Based on the feedback to the NOI, an exposure draft (ED) was prepared and distributed in September 2021.

With respect to Mandate 3, this review of Standards of Practice fulfills the expectations of a quinquennial review intended to identify revisions that might be appropriate given changes in the pension landscape in the past few years, most notably related to TPAs. Also included in the review was an attempt to identify any other revisions that were deemed to be worth considering in order to refine the wording of the standards – e.g., for greater clarity or to simplify the application of the standard.

## Changes related to Mandate 1

**Feedback on the NOI**
In the NOI, DG1 was proposing only minor changes to standards. Fourteen submissions were received on the NOI related to Mandate 1. Feedback was received from five individual CIA members, four actuarial consulting firms, one jointly sponsored pension plan, one pension industry association, the Canadian Association of Pension Supervisory Authorities (CAPSA), and two pension regulators (separate from the CAPSA submission).

**Feedback on the ED**
DG1 did not propose any additional changes to the standards in the ED that were not already discussed in the NOI, but provided additional commentary in support of the positions taken by DG1. Feedback on the ED was limited, with only four actuarial consulting firms providing feedback related to Mandate 1. Most of the comments received were brief, and were supportive of views expressed by DG1 in the ED.

DG1 appreciates the feedback provided by stakeholders on both the NOI and the ED. In view of the strong level of support received in the feedback, DG1 is proceeding with the minor changes to the standards that DG1 suggested in the ED and the DG is recommending the issuance of a final standard at this time.

**Summary of key comments provided by stakeholders to the NOI and ED; DG1's response**

The following sections, while not exhaustive, summarize key comments provided by stakeholders, and DG1's response to these comments. The numbering corresponds to the numbering of the issues in the ED.

**1-1 Is the hypothetical wind-up valuation still the best measure of benefit security?**

Generally, the feedback on the NOI strongly supported DG1's view that the hypothetical wind-up valuation remains the best measure of benefit security. Two submissions on the NOI suggested that for some plan designs, the hypothetical wind-up valuation may not be as useful or relevant.

In the memo to membership on the ED, DG1 indicated that while the hypothetical wind-up valuation may not be a focus for non-traditional pension plans, both traditional and non-traditional plans can and do wind-up. The hypothetical wind-up remains the ultimate measure of benefit security without reliance on future contributions. Only two stakeholders commented on this topic in the ED, and both stakeholders supported the view that the hypothetical wind-up valuation remains the best measure of benefit security.

**1-2 Should the standard allow the terms of engagement to specify whether the plausible adverse scenario (PAS) should be presented on a going-concern basis or a hypothetical wind-up basis?**

Of the 14 submissions on the NOI, the vast majority agreed that PAS should be presented on either a going concern basis or a hypothetical wind-up basis, depending on which measure is most relevant for the plan. One submission suggested that PAS should be done on both bases, while another suggested that PAS should not be required at all.

In the ED, DG1 reiterated its view that more disclosure is not necessarily better disclosure and, therefore, the ED continued to propose that PAS should only be required on one basis. Three of the four submissions supported this view. One submission preferred no change at all to the PAS requirements, however the primary objection was to the proposal from DG2 that the actuary must consult with the client to discuss the basis and risks to be considered in the PAS.

DG1 asked for specific feedback on the proposed clarification that when a PAS is done on a hypothetical wind-up basis, the solvency incremental cost does not need to be reflected in the PAS. The few comments received all supported this clarification.

**1-3 Pension actuaries should not be required to assess nor disclose the financial strength of plan sponsors**

Feedback to the NOI overwhelmingly supported DG1's view that the actuary should not be required to assess the financial strength of plan sponsors. One stakeholder disagreed and suggested that actuaries should ideally incorporate financial strength. Another stakeholder agreed that actuaries should not be required to assess the financial strength of the plan sponsor, but suggested that there is great overlap between the skills and knowledge of the actuary and the skills and knowledge of those who do make such assessments, and that the actuary should not be discouraged from incorporating consideration of the plan sponsor's financial health.

In view of the strong support for the NOI, DG1 reiterated this position in the ED. Very few comments were provided on this issue in the ED and, the few comments that were provided, strongly supported DG1's position.

**1-4 Responsibility of the actuary to various stakeholders**

In the NOI, DG1 expressed the view that the setting of minimum funding requirements is a public policy decision which must balance security with affordability. Once policymakers have decided what that minimum level of funding should be, taking into

account the public interest, then the responsibility of the actuary in conducting a pension valuation is to act in a professional and ethical manner in determining the funded status of the plan and the minimum required and maximum permissible contributions.

Feedback received on the NOI was strongly supportive of this view, with some diversity in supplemental comments. The most common supplemental comment was that the actuary must be objective in setting assumptions. Only one submission to the NOI strongly disagreed with DG1's view; this submission suggested that there are times when funding above the minimum may be appropriate, and specifically mentions the financial strength of the plan sponsor as a consideration.

In the memo to membership on the ED, DG1 agreed that actuaries must be objective in setting assumptions, but noted that there is room for judgement in setting future return expectations, and that there is generally a reasonable range of assumptions. DG1 also noted that the requirement to be objective is already reflected in the *Rules of Professional Conduct* and Part 1000 of the *Standards of Practice*. DG1 indicated it fundamentally disagreed with the view of one stakeholder that the actuary has a role in recommending higher than minimum required contributions if the plan sponsor is known to be in financial difficulty. Minimum and maximum contribution levels are a public policy issue. If a plan sponsor is in financial difficulty, whether available cash should be directed to making higher than minimum contributions to the pension plan or directed to keeping the organization financially viable is a decision that is appropriately made at the administrator/sponsor/government level.

The ASB also engaged a legal firm to provide an education session on the Responsibility of the Actuary. The information provided in the education session and the discussion that followed was consistent with DG1's views of the actuary's role in performing valuations.

### Changes related to Mandate 2

**Feedback on the NOI**

The Designated group on meaningful stress testing received a total of 14 responses from various stakeholders within the actuarial community and the broader pension industry similar in nature to the respondent categories summarized above by DG1.

**Feedback on the ED**

DG2 recommended proposed wording changes in two paragraphs of the standards on plausible adverse scenarios. The first change in paragraph 3260.06.6 would essentially require the actuary to consult with the plan sponsor/administrator while the second change in paragraph 3260.06.7 would provide safe harbour to the actuary if they were to reflect the perspective of the plan sponsor/administrator.

Similar to the feedback received by DG1, the feedback received by DG2 regarding this change was limited. There were five respondents providing feedback. One respondent agreed with the need to provide membership with education on the expected investment return and expense modelling of alternative asset classes such as real

estate, infrastructure, private debt, and equity. The other four respondents were all actuarial consulting firms expressing concerns regarding the potential complications arising as a result of a requirement to consult the plan sponsor/administrator before completing a plausible adverse scenario.

Of these four respondents, one suggested that the plan sponsor/administrator may not necessarily have the knowledge or experience to support a decision. Conversely, another respondent suggested that the existing standards already identified the key risk areas and that the requirement to consult with the plan sponsor/administrator is unnecessary and unhelpful. Another respondent suggested that the requirement to consult the plan sponsor/administrator is not practical and may lead to increased valuation costs in some cases. The fourth respondent did not believe that it was advisable for the standards to require the actuary to consult with the plan sponsor/administrator.

While DG2 is appreciative of the feedback received, we remain of the view that plausible adverse scenarios continue to be an important part of the standards and must be more than just a routine compliance exercise. The change to the ED is not meant to result in an exhaustive consultation exercise, but rather a limited and likely a brief discussion. If the plan sponsor/administrator is unwilling or unable to contribute to an informed decision, then the actuary remains free to use their own judgment. DG2 is proceeding with the proposed change in the ED for adoption in the *Standards of Practice*.

**Summary of Key Comments Provided by Stakeholders to the NOI & ED; DG 2's Response**

**2-1: How should stress tests be treated in the standards?**

**a. Prescribed**

**b. Principle based**

The majority of feedback was to maintain a principles-based treatment for stress tests in the standards. Four submissions noted that the standards of stress test should be accompanied by an educational note. Two submissions suggested that while principles-based treatment is the way to go, there needs to be a minimum number of prescribed scenarios. One submission suggested that stress tests should not be mandated in the standards at all. No submissions were of the view that all stress tests should be prescribed.

DG2 agrees with the principles-based treatment of stress tests in the standards of practice.

**2-2: What risks should plan sponsors be concerned about?**

Two submissions were comfortable with current risks described in the standards of practice. Six submissions were in agreement with the risks discussed in the NOI so long as the risks and the stress tests are meaningful to the client. One submission suggested that the concerns of the sponsor/administrator are secondary, it's the concerns of the

stakeholders who bear the risk that should be addressed. Two submissions suggested that it is inappropriate for actuarial standards to expand the scope of work imposed on clients.

DG2 is of the view that potential risks are diverse, but the ones covered in the standards are likely the most relevant ones and the judgment of the actuary is essential in determining stress tests. Furthermore, DG2 remains of the view that risks identified for test purposes should be identified after discussion with the client.

**2-3: What should be the measure of risk?**

Three submissions indicated that the measures of risk shown in the notice of intent belong as part of analysis for a funding policy or an educational note and not the standards of practice for valuations of pension plans. Two submissions were opposed to the use of stochastic methods due to their complexity, while the remainder of submissions were of the view that the choice of stochastic or deterministic should depend on the judgment of the actuary in consultation with the client. One submission suggested that the list of metrics in the NOI is not exhaustive while another suggested that the appropriate measure of risk is highly dependent on the risk-sharing nature of a pension plan.

DG2 agrees that the actuary's judgment should be used in determining the appropriate risk metric in a stress test.

**2-4: Over what time horizon should these risks be measured?**

All eight submissions who provided feedback on 2-4 agreed that the time horizon should be based on the actuary's judgment.

DG2 agrees that the actuary's judgment should be used in determining the time horizon of the measured risks.

**2-5: Regarding margins/provisions for adverse deviations:**

a. **Should margins/provisions be used?**
b. **Should best estimate assumptions be used for the liability?**
c. **Should the margins/provisions vary over time?**

Six submissions indicated that PfADs required by law or are part of the funding policy should be included in the stress test. One submission suggested that use of PfADs should be consistent with baseline and evaluation of plan or with the plan sponsor's future intentions. Two submissions indicated that smoothing should not be used in a stress test.

DG2 believes that the actuary's judgment should be used in determining the use of margins/PfADs. The actuary should consider the use of regulatory required PfADs in risk analysis.

**2-6: Areas of education needed**

1. **Are there other areas of education that may be needed that are not mentioned?**

2. **Do actuaries have enough knowledge on the real estate and infrastructure valuation methods and the possible impact of methods such as the discounted future cash flows (e.g., short term smoothing due to less frequent measurements than equities, etc.)?**

3. **Do actuaries have enough knowledge about the adjustment required to models (e.g., artificially lower volatility of real asset classes, leverage of funds, etc.) and the impact of the volatility of these investments when setting the discount rate assumption for actuarial funding valuation purposes or advising clients on liability driven investment?**

One submission indicated that additional education is not needed. Four submissions were in agreement with providing educational notes on the items suggested by the NOI. Other submissions suggested that guidance would be welcome on:

- estimated expenses related to alternative asset classes
- reliance on other specialists' work when dealing with non-traditional asset classes or in assessing specific risks
- information relative to cap rates and the selection of best estimate real rates of return
- training on the valuation of certain asset classes and the required adjustment models could be improved
- modifying the educational note material on setting going concern discount rates

**General comments**

Many of the submissions received expressed a concern that DG2 may be looking to make significant changes to the plausible adverse scenarios so soon after these had originally been introduced. In addition while many submissions found the NOI to be useful, they felt that the majority of the material should not be embedded in the *Standards of Practice*, but instead the material should form part of an educational note or guiding principles that actuaries may use.

DG2 agrees that major changes to the plausible adverse scenarios portion of the standards would not be desirable at this time. In addition we agree that much of the NOI is meant to be best practice and does not necessarily belong in the standards of practice for pension plan valuations.

## Changes related to Mandate 3

**Feedback on the NOI**

Feedback on the NOI was received from a number of stakeholders, including CIA members and/or their firms, the Canadian Association of Pension Supervisory Authorities (CAPSA), the Pension Investment Association of Canada (PIAC) and one pension regulator, Retraite Québec. This feedback on the NOI was considered in the preparation of the ED.

It is worth noting that DG3 had also received responses from a small number of organizations that specified that they would defer providing any feedback until the ED was issued. Finally, DG3 consulted with the CIA Committee on Pension Plan Financial Reporting before finalizing the ED.

**Feedback on the ED**

Feedback on the ED was received from several stakeholders, primarily consulting firms, one pension regulator, Retraite Québec DGRCR, as well as the Public Sector Pension Plan Branch (DGRRSP) of Retraite Québec. In total, DG3 received nine submissions with comments on the ED. In a few cases, the Chair of DG3 contacted individuals who had made submissions to clarify some points related to their submission. DG3 appreciates the feedback received on the ED and has considered it in the preparation of the final standards of practice.

**Summary of key comments provided by stakeholders to the NOI and ED; DG3's response**

The following sections, while not exhaustive, summarize key comments provided by stakeholders and DG3's response to these comments. The numbering corresponds to the numbering of the issues in the ED.

**3-1 Annuity purchase guidance**

Based on the feedback to the NOI, there was agreement that this should continue to be addressed through educational notes.

As a result, the ED proposed no changes from the current practice, nor to the standards. There were no further comments to the ED with respect to this issue.

**3-2 Exemption of defined contribution provisions of hybrid plans.**

Responders agreed that the *Standards of Practice* should not apply in respect of a defined contribution (DC) provision of a pension plan where the defined benefit (DB) and DC provisions of a pension plan are independent. However, a few responders suggested wording changes, which DG3 thought were appropriate.

Minor changes to the wording proposed in the ED have been made to add clarity.

**3-3 Recognition of pending amendments**

Most responders to the NOI agreed that the actuary should be able to reflect a "definitive" or "virtually definitive" pending amendment (as those terms are defined in Part 1000; see below) regardless of whether it increases or decreases the value of the benefits.

In response to the ED, two submissions specified explicit agreement, most were silent.

Based on a comment from a responder, there is a question whether there should be a requirement to add wording to paragraph 3250.02 (solvency valuations) to specify that the treatment of any definitive amendment (i.e., inclusion or exclusion) should be the

same in the solvency and/or hypothetical wind-up report as the treatment in the going concern report.

DG3 is not convinced that any such additional wording is required in the standards, although such treatment may be required under certain provincial pension legislation.

There was feedback from a pension regulator that recognizing a pending amendment that decreases value of the benefits would not be permitted under the pension legislation that they oversee.

Actuarial work must always consider both actuarial standards and the law. DG3 appreciates that legislation can differ from standards; that is, in the absence of legislation that prohibits the recognition of a definitive amendment, the actuary should be permitted to recognize the reduction in liabilities.

**3-4 Direction to postulate the most pessimistic scenario on hypothetical wind-up**

Three of the responders to the ED specifically agreed with the recommendation to reflect the scenario where the wind-up results in no further contributions to the pension plan; for example, where the employer is bankrupt. Most were silent, however, a few of the submissions suggested wording changes.

- Note that the proposed changes to the standards do include a provision that if the terms of an appropriate engagement specify another scenario, it can be postulated.

Minor changes to the wording proposed in the ED have been made to add clarity.

**3-5 Suggested revisions to Section 3400 Financial Reporting of Pension Costs**

No additional edits to the ED were suggested.

**3-6 The requirement to quantify the impact of material contingent benefits**

Most responders agreed with the ED requirement to disclose the rationale for any exclusion of material contingent benefits.

However, some responders suggested wording edits to clarify the issue which were accepted.

**3-7 The requirement for only a maximum funding valuation for designated plans with only connected persons**

Most responders were silent on the issue. Of those who responded, there was agreement with the recommendation, although some had suggestions for wording changes.

Based on feedback and DG3 discussion, DG3 has made wording changes to clarify the requirements.

**3-8 Commuted value standards for TPAs on plan wind-up**

The reaction to this proposal was mixed. Some responders agreed that “share of assets” is the most appropriate basis. Some advised that share of assets should not be the only

answer, unless required by legislation. Others advised that plan provisions should specify how assets should be shared in a wind-up. Some agreed that using going concern assumptions to determine share of assets would be appropriate; others did not agree that going concern assumptions should apply for a wound-up plan.

Some noted that the CIA CV basis tends to be adopted as the legislative standard; therefore, we should strive to have the right/equitable basis.

Ultimately, DG3 agreed that the issue would be best addressed by actuaries who work with TPAs.

To quote from a submission:

> Due to the unique experiences of TBPs, we suggest the CIA form a standing committee with at least, say, 75% of the committee having experience with TBPs. We believe that membership of recent designated groups that have been making decisions and recommendations regarding TBPs do not appear to have extensive target benefit experience, and therefore lack the expertise and awareness that these arrangements often require. This committee could be provided with a working copy of an ED for review with an eye specifically on TBPs before it is distributed. Neglecting this step may cause confusion if TBPs are not addressed properly and incur delays if significant changes to an ED are subsequently required.

DG3 believes that this approach is the best means to meet the needs of the profession. Accordingly, further changes to the TPA/TBP sections of the Standards are not being proposed at this time but will be considered separately by the ASB with representation from those who have specific expertise in this area.

**3-9 Hypothetical wind-up report requirements for TPAs**

DG3 discussed the feedback received and how best to proceed. The intention of DG3 was to have information available to provide an understanding of the amount of the target benefit that could be provided by the assets available upon wind-up.

There was some support for this approach. One consulting firm advised that they use this method to determine hypothetical wind-up (HWU liabilities) for TPAs in British Columbia and Alberta.

Some feedback had suggested that the HWU valuation for many TPAs would be trivial, since at wind-up the liabilities would simply be set equal to assets. One responder noted that paragraph 3240.02 specifies:

- For a hypothetical wind-up valuation, the actuary should determine benefit entitlements on the assumption that the pension plan has neither a surplus nor a deficit.

Based on this feedback, the standards are being changed to require one HWU balance sheet based on liabilities valued using an approach consistent with the costs to settle the obligations in the group annuity marketplace at the hypothetical wind-up date. This may mean using the annuity proxy for all members (which may involve enhancement of

the annuity proxy basis to reflect more accurately the cost for deferred members) or other basis that the actuary deems appropriate.

The proposed requirement for a second balance sheet would be removed.

Note that the separate review being undertaken by the ASB with specific expertise in TPAs may also address issues related to this aspect of TPAs as well.

**3-10 Letters of credit**

There was little feedback on this issue. However, based on feedback from one responder, DG3 added wording (to paragraph 3260.02) for a going concern valuation to parallel the wording that applies for hypothetical wind-up or solvency valuations.

**3-11 Provisions for adverse deviations**

On response to the NOI, most of those providing feedback agreed that any PfAD mandated by legislation that is in excess of best estimates constitutes a PfAD for the purpose of the standards. Some who responded suggested that this issue is best left to be addressed in an educational note. DG3's perspective is that this is the preferred approach.

In response to the ED, one responder explicitly agreed; most were silent.

**3-12a Glide Paths**

The feedback on the ED was generally supportive of this change. It was suggested that the requirement by the actuary to take a glide path into account when selecting the discount rate may act as a significant disincentive for a plan administrator to establish a clearly defined glide path or even involve the actuary in these discussions.

One comment stated that an informal glide path that is not documented in a statement of investment policies and procedures is effectively no different than a formal glide path. Both are subject to change.

Another issue raised in feedback to the ED is that, as part of pension funding reform, a number of jurisdictions have introduced a prescribed PfAD for purposes of determining minimum going concern contribution requirements. While the rules for determining the PfAD vary by jurisdiction, the size of the PfAD often varies based on the target asset mix that is in effect on the date of the valuation (without reflecting any glide path that may be in place). For a plan with a glide path, the use of a discount rate that incorporates a glide path along with a PfAD that does not reflect the glide path creates an inconsistency in the funding approach.

One responder disagreed with the proposed amendment to contain no requirement to take account of the expected changes in target asset mix after the calculation date for the choice of best estimate assumption of the pension fund's expected investment return. Their perspective is that the actuary must choose, with all the information they have, their best estimate of the expected ROI of the plan assets. It does not seem appropriate that the actuary would knowingly select best estimate assumptions that would generate potential losses.

After discussing the feedback, DG3 accepted the position that most responders agreed with the intention of the proposed changes. Based on the suggestions of those responders, DG3 made minor wording changes to reflect the intention more accurately.

**3-12b Discount rate**

Some responders made suggestions for wording changes to further clarify the use of a chosen discount rate. However, a number of responders advised that the proposed wording in the ED was aimed solely at allowing certain practices currently in effect. Specifically, the standard, as currently worded, allows the use of select and ultimate rates and does not require amendment.

It was further suggested that this technical content be addressed instead in the educational note on *Determination of Best Estimate Discount Rates for Going Concern Funding Valuations*.

Considering the feedback articulated in the submissions that the current standards permit any of these options, DG3 accepts the argument that the additional wording initially proposed in the ED should not be added. DG3 also agrees that this technical content is probably best addressed in the educational note.

DG3 also discussed the concerns submitted by a pension regulator who proposed that paragraph 3230.03 (assumed value added from active management) should be deleted. The submission stated that actuaries' judgment would be appropriate in this context – as it is for other assumptions. The submission also argues that most actuaries interpret this paragraph to reflect only passive management costs rather than the true costs of active management.

Ultimately, DG3 decided to leave this section unchanged. They think that the standard, which is not a recommendation, permits the actuary to apply judgment (with analysis) to the decision of how to reflect investment management expenses.

**3-13 "May" vs "Would" (The terms of an appropriate engagement <u>would</u> specify the use of an actuarial cost method and/or an asset valuation method.**

Of those who responded, one suggested wording refinements. Others, including a pension regulator, provided feedback to the proposal that a higher level of client engagement would be required.

DG3 accepts that the current wording should be maintained; that is, use of the word "may."

**3-14 Statements of opinion – if there was not full compliance with the reporting requirements**

From those who responded to this issue, there was agreement, though most were silent.

No additional edits to the ED were suggested.

**3-15 Re paragraph 3330.02 (i.e., for use in a wind-up report)**

**Describe the actuary's role in calculating commuted values, the standards for their calculation, and an opinion on whether their calculation is in accordance with accepted actuarial practice in Canada**

Most of the responses were silent on this issue. However, in one response, a pension regulator opined that, in a wind-up situation, such a statement of opinion may be made only if the actuary has verified the commuted values calculations.

DG3 discussed whether the current standard requires the actuary to confirm the basis used or also to confirm that the calculations are accurate. DG3 confirmed that General Standards 1510, 1710.01 and 1710.11 apply to an actuary's work:

- An actuary is permitted use the work of another but must be clear in the report whether or not they take responsibility for the work of another.

With respect to this issue, DG3 believes that no change needs to be made to the standards. DG3 recognizes that the law or a regulator can require the actuary to provide additional information over what is specified in the standards.

**3-16. Miscellaneous clean-up**

There are a small number of instances where DG#3 is recommending minor wording changes in addition to instances of moving, renumbering or combining of two paragraphs into one.

## Members of the DGs

The members of DG#1 are as follows: James Koo (Chair), Stephen Butterfield, Jasenka Brcic, Serge Charbonneau, Marshall Posner, Stéphan Lazure, Paula Boyd, and Alyssa Hariton.

The members of DG#2 are as follows: Dani Goraichy (Chair), Andrew Fung, Jennylie Gauthier, Barry Gros, Rohan Kumar, and Bryan Merida.

The members of DG#3 are as follows: Angelita Graham, Haripaul Pannu, Charly Pazdor (Chair), Riley St. Jacques, Gus Van Helden, Paul Winnett, and François Parent (non-CIA member).

## Effective date

The effective date of the new standards will be December 1, 2022. Early implementation is *not* permitted.

JEM, JK, DG, CJP